

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6560

BILL NUMBER: SB 127

NOTE PREPARED: Dec 14, 2005

BILL AMENDED:

SUBJECT: Political Expenditures.

FIRST AUTHOR: Sen. Lawson C

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: *Communication of Election or Defeat:* The bill provides that a corporation or labor organization that makes a political expenditure is a political action committee. The bill provides that an organization may not make a communication expressly advocating the election or defeat of a clearly identified candidate unless the organization is a political action committee or the communication is made through a political action committee established by the organization.

Penalty Provision: The bill makes a violation of this requirement a Class A misdemeanor.

Effective Date: January 1, 2007.

Explanation of State Expenditures:

Explanation of State Revenues: *Summary:* A corporation or labor organization that directly communicated a message of election or defeat of a candidate without either establishing their own political action committee (PAC) or using a separate PAC to communicate the message would commit a Class A misdemeanor.

Penalty Provision: If additional court cases occur and fines are collected, revenue to both the Common School Fund (from fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class A misdemeanor is \$5,000. However, any additional revenue would likely be small.

Explanation of Local Expenditures: *Penalty Provision:* A Class A misdemeanor is punishable by up to one year in jail.

Explanation of Local Revenues: *Penalty Provision:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. However, any change in revenue would likely be small.

State Agencies Affected:

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources:

Fiscal Analyst: Chris Baker, 317-232-9851.